



**House
Legislative
Analysis
Section**

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OLYMPIC CENTER PLATES

Senate Bill 665 with House committee
amendments
First Analysis (6-14-94)

Sponsor: Senator John Pridnia
Senate Committee: Transportation and
Tourism
House Committee: Transportation

THE APPARENT PROBLEM:

The Olympic Education-Training Center, located on the Northern Michigan University Campus, is the nation's only full time Olympic education center. Several of the athletes who were medalists in last year's Winter Olympics had been residents at the center. Until 1992, the center had been receiving an annual appropriation of \$600,000 for its operation. The governor vetoed that line item in the 1991-92 fiscal year budget and suggested that NMU find other funding sources for the program. Since then, \$300,000 has been restored to the university's appropriation by the legislature. During its search for additional funding sources, NMU learned of special license plate fund-raising programs in place in several other states. Legislation has been proposed to establish such a program to enable the Olympic Education-Training Center to continue its work.

THE CONTENT OF THE BILL:

Currently, the secretary of state may issue special vehicle license plates, in place of standard plates, to applicants who are members of special organizations that meet the criteria stated in the Michigan Vehicle Code. The bill would amend the Michigan Vehicle Code to require the secretary of state, upon application, to issue a registration plate with an appropriate decal representing an Olympic Education-Training Center in Michigan to an applicant for use on his or her passenger motor vehicle, pickup truck, van, or motor home, instead of a standard registration plate. The Olympic Education-Training Center would be required to submit a design for the special registration plate to the secretary of state.

In addition to the regular registration tax imposed under the code, each applicant would have to pay a fee of \$3 for the first month and \$2 per month for

each additional month of the registration period of the plate (or \$25 per year). The bill also contains provisions for applicants to receive temporary permits if their regular registrations would expire before they received the special plates.

The bill would create the Olympic Education-Training Center Fund in the Department of Treasury. The money in the fund would be spent only as provided in the bill. The secretary of state would have to deposit each service fee with the state treasurer to the credit of the fund. Upon appropriation, the money in the fund would be distributed to the Olympic Education-Training Center, after deducting manufacturing and administrative costs.

The bill would take effect October 1, 1994.

MCL 257.803m

HOUSE COMMITTEE ACTION:

The House Transportation Committee adopted an amendment to the bill that would reduce the amount of the service fee that an applicant would have to pay for the special vehicle license plate.

FISCAL IMPLICATIONS:

According to a Senate Fiscal Agency analysis of Substitute S-3 for the bill, the actual amount generated by the service fee for the Olympic Education-Training Center registration plate would depend on the number of plates sold.

For comparison purposes, the sale of other specialized plates in fiscal year 1992-93 was as follows:

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Type of Plate	Additional Charge	Number Sold
Veterans	\$5 service fee	6,579
Nonprofit Organization	\$25 service fee	1,580
Vanity Plates	Annual \$25	36,934

Nonprofit organizations must pay a \$500 fee for the initial manufacturing cost of the symbols or emblems for the special plate for nonprofit organizations. The \$25 service fee for nonprofit organization plates and veteran's plates is not charged for a renewal tab for an existing plate. (4-28-94)

ARGUMENTS:

For:

Michigan is honored to be the home of the nation's only Olympic Education-Training Center. This program was funded largely by the state until 1991, when funding was cut and the program was directed to seek other funding sources. An Olympic Education-Training Center license plate is proposed as one answer to this situation. The funds generated by this program will support Olympic programs in Michigan and primarily the student/athletes training at the Olympic Education-Training Center.

Against:

The basic purpose of a vehicle registration plate is to identify the owner of the vehicle to assist in the recovery of stolen vehicles, as well as for numerous other law enforcement purposes. The tabs issued for plates also provide confirmation that the registration tax has been paid and that the registration has not expired. The bill proposes a major change in the purpose of the registration plate by seeking to have the secretary of state serve as a fund-raising agent for the Olympic Education-Training Center. If passed, the bill would likely lead to many other special fund-raising plates for worthy causes. There are several other proposals currently pending before the legislature to create plates for the purpose of fund-raising.

Further, Michigan's recent history with specialized plates and personalized "vanity" plates for which added fees are paid shows a disappointingly low volume of sales. Of the four major types of veterans plates sold, as of July 31, 1992 only 29,000

plates have been issued in the nearly three years they have been available. This means that only about 3 percent of the veterans eligible have paid the one-time \$5 service fee to obtain one of these plates. Only five organizations have applied for the special plates available to nonprofit organizations that show their organization's color logo, and only 1,500 plates have been sold. The service fee for these plates is a one-time-fee of \$25, as opposed to a yearly renewal rate of \$25 as proposed in this bill. It seems unlikely that this new program would generate significantly higher levels of sales.

Finally, motorists who choose to contribute to the Olympic Center will not be able to deduct the contribution from their incomes for federal tax purposes. If the contribution was made to a nonprofit organization with the proper tax status or to Northern Michigan University or its alumni group, a much greater incentive to contribute would be created and more money could be raised.

POSITIONS:

Northern Michigan University supports the bill. (6-13-94)

The Department of State takes no position on the bill. (6-10-94)

AAA of Michigan takes no position on the bill. (6-9-94)