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Senate Bill 602 (Substitute S-3 as passed by the Senate)  
Sponsor: Senator Shirley Johnson  
Committee: Transportation and Tourism

Date Completed: 10-3-01

### **RATIONALE**

Recent terrorist attacks in the United States have prompted citizens' dual desires to express their patriotism and to contribute to the relief efforts. Since 2000, Michigan residents have purchased new fund-raising license plates to demonstrate their support for specific causes. Because of the success of these plates, some people feel that a "Proud to be American" fund-raising plate should be adopted, with proceeds going to the American Red Cross domestic relief.

### **CONTENT**

The bill would amend the Michigan Vehicle Code to require that the Secretary of State develop and issue a "Proud to be American" State-sponsored, fund-raising registration license plate and a matching fund-raising collector plate. The Secretary of State would have to design the plate, and the words "Proud to be American" and "Michigan" would have to appear on it.

The bill would establish a "Proud to be American Fund" within the State Treasury. The Treasurer would have to disburse the money in the Fund on a monthly basis to the American National Red Cross, which would be required to use the money for disaster preparedness and relief in the United States. Money in the Fund at the close of the fiscal year would remain in the Fund and not lapse to the General Fund. The Red Cross would have to account, in an annual report, for money received and used from the Fund.

The bill specifies that a vehicle owner could apply for a "Proud to be American" registration license plate instead of a standard plate when registering a vehicle, as prescribed by Section 811f of the Code. (Pursuant to that section, an application for an original fund-raising

registration plate must be accompanied by a donation of \$25 and a \$10 service fee, in addition to payment of the regular vehicle registration tax. A collector plate costs the applicant a \$25 donation and a \$10 service fee.)

As defined by the Code, a "fund-raising registration plate" is "a registration plate that contains a design or logo representing a symbol for a Michigan university or state-sponsored goal and is issued by the secretary of state to raise funds for the respective Michigan university or state-sponsored goal". A "collector plate" is "a plate that contains a reproduction of every characteristic of a specific registration plate except for the number and letter characters... A collector plate is not a registration plate." Collector plates may be mounted on a vehicle in any lawful manner, including being displayed on the front bumper.

The Code limits to six, at any one time, the number of State-sponsored, fund-raising registration plates that the Secretary of State may develop. This bill would amend that number to seven.

MCL 257.811e et al.

### **BACKGROUND**

Public Act 77 of 2000 amended the Michigan Vehicle Code to allow the Secretary of State to develop and issue license plates and collector plates to raise money for public Michigan universities and State-sponsored causes. Previously, members of certain nonprofit organizations, the armed forces, and veterans could be issued speciality plates; however, the only fund-raising plate available was the Olympic plate, with proceeds from its sale helping to fund the Olympic Training Center at

Northern Michigan University. The State-sponsored plates currently issued include the Children's Trust Fund-Raising plate, the Critical Nongame Wildlife Habitat Fund-Raising plate, the Agricultural Heritage Fund-Raising plate, the Lighthouse Preservation Fund-Raising plate, and the Water Quality Fund-Raising plate.

### **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 American Red Cross has provided disaster relief to victims of the September 11 terrorist attacks in New York, Washington D.C., and Pennsylvania. Because of the large number of victims involved, the Red Cross has spent extensive funds providing meals, shelter, counseling, and blood to victims and their families. The following table enumerates these services:

Type of Service	Number of Units
Relief Workers	24,602
Volunteers	23,161
Meals	3,550,622
People provided with temporary shelter	4,139
Health Service	
Contacts	13,694

In addition, the American Red Cross established a \$100 million fund to provide cash grants to people affected by the disaster. Money from this fund will go to victims and families of victims for short-term living activities, such as paying rent and making mortgage payments. This is the first time the Red Cross has set up such a fund.

In the weeks following the attacks, many people have flown American flags from their houses and cars; business have hung flags in their windows. Some people feel that license plates and collector plates depicting an American flag and the words, "Proud to be American", would allow Michigan residents another tangible way to express their patriotism while contributing to a disaster relief and prevention cause.

Legislative Analyst: C. Layman

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Fund-raising plates are revenue-neutral due to the \$10 service fee paid by the vehicle owner ordering the plate. This fee covers all costs of producing the plate, including administration, manufacturing, and distribution. The Department of State could be required to support the initial production of the plate; however, these costs would be recovered by sales of the plate.

Fiscal Analyst: J. Runnels

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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.