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Senate Bill 602 (as enrolled)  
Sponsor: Senator Shirley Johnson  
Senate Committee: Transportation and Tourism  
House Committee: Transportation

**PUBLIC ACT 124 of 2001**

Date Completed: 1-11-02

**RATIONALE**

The terrorist attacks on September 11, 2001, prompted citizens' dual desires to express their patriotism and to contribute to 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, it was suggested that a "Proud to be American" fund-raising plate be created, with the proceeds going to the American Red Cross domestic relief and the Salvation Army.

**CONTENT**

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

The bill also established a "Proud to be American Fund" within the State Treasury. The Secretary of State must transfer money donated for the plate to the State Treasurer, who must credit the money to the Fund. The State Treasurer must disburse 50% the money in the Fund on a monthly basis to the American National Red Cross, as represented by the Michigan State Service Council, and 50% to the Salvation Army, both of which are 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 will remain in the Fund and not lapse to the General Fund. The Red Cross and Salvation Army must account, in an annual report, for money received and used from the Fund.

The bill specifies that a vehicle owner may 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 bill defines "state-sponsored proud to be American fund-raising registration plate" as a registration plate containing a specialized design pertaining to the prestige of being an American.

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

MCL 257.217m 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 as of September 25, 2001:

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 has gone to victims and families of victims for short-term living expenses, such as paying rent and making mortgage payments. The Salvation Army set up a similar fund for "collateral victims" of the

attack on the Pentagon, including airline, transportation, and hospitality personnel, and others directly affected by the closure of Reagan National Airport.

In addition to monetary assistance, the Salvation Army provided grief counseling to rescue workers at Ground Zero in New York City and to family members of victims at the New York Medical Examiner's Office. Salvation Army workers served an average of 100,000 meals a day to rescue workers at the site of the World Trade Center collapse. Also, temporary shelters for hospital and rescue workers were set up by the Salvation Army near the New York City site.

In the months 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", 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 will 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.

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.