

# Legislative Analysis



## MICHIGAN NURSES: FUND-RAISING LICENSE PLATE

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**House Bill 5849 (Substitute H-2)**  
**Sponsor: Rep. Barb Vander Veen**  
**Committee: Transportation**

**Complete to 6-22-04**

### A SUMMARY OF HOUSE BILL 5849 AS REPORTED FROM COMMITTEE 6-17-04

House Bill 5849 would amend the Michigan Vehicle Code to authorize the Secretary of State to develop and issue a state-sponsored fund-raising vehicle registration plate honoring Michigan nurses, and a matching fund-raising collector plate. The bill would require the Secretary of State to transfer donations from the sale of these plates to the State Treasurer for credit to a Michigan Nurses Fund.

The bill would also create the Michigan Nurses Fund within the state treasury, and directs the State Treasurer to disburse money in the fund to the Michigan Nurses Foundation in order to 1) to retain licensed nurses in the state workforce by providing financial aid for nursing professionals recovering from substance abuse who require medical or behavioral health treatment; and 2) to recruit and advance the next generation of licensed nurses in the state workforce through educational scholarships and research grants and financial aid for continuing education required for licensure.

Current law restricts the number of fund-raising license plates to not more than seven at any one time. The Committee substitute would eliminate that limitation. The Committee substitute also includes subsection 3, which requires the payment to the Department of State of a non-refundable \$15,000 start-up fee to cover the costs of developing and producing the fund-raising plate. The fee would be deposited in the Transportation Administration Collection Fund. The substitute also provides for minimum sales goals of 2,000 plates in the first year, and 500 plates in the second and each subsequent year.

The bill would also repeal enacting section 1 of PA 77 of 2000 which established a 5-year sunset on the fund-raising plate program (October 1, 2005).

### FISCAL IMPACT:

Under current law (Section 811f of the Michigan Vehicle Code) the application for an original fund-raising plate must be accompanied by a \$25 donation, payment of the regular registration tax, and a \$10 service fee. It is the revenue from the \$25 donation that would be transferred to the Michigan Nurses Fund under the bill.

The Department of State has indicated that the current \$10 service fee covers its marginal costs of manufacturing specialty plates, but does not cover initial start-up costs, estimated to be approximately \$15,000 per new plate issue. As noted above, the Committee substitute provides for the payment of a \$15,000 start up fee before the department would develop the fund-raising plate. As a result, the bill would have no apparent fiscal impact.

***BACKGROUND INFORMATION:***

Public Act 77 of 2000 (SB 826) added Section 811e to the Michigan Vehicle Code to authorize the Secretary of State to develop Michigan university fund-raising and collector plates. The act also permitted the Secretary of State to develop up to six state-sponsored fund-raising plates and matching collector plates at any one time. The section was subsequently amended by PA 124 of 2001 (SB 602) to permit up to seven state-sponsored fund-raising plates. The fund-raising plates currently authorized under this section are Agricultural Heritage, Children's Trust Fund, Lighthouse Preservation, Veteran's Memorial, Water Quality, Wildlife Habitat, and "Proud to be American." Revenue from all of the current university and state-sponsored fund-raising plates is credited to a state fund or state-administered fund, with one exception. Revenue from "Proud to be American" plate donations is credited equally to the American National Red Cross and the Salvation Army.

For the 2002-03 fiscal year, the Department of State reports 88,381 transactions for the existing special cause license plates, generating over \$1.2 million for the special causes. For this same time period, the department reported 82,384 transactions for state university license plates, generating almost \$1.1 million for the universities.

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