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BILL ANALYSIS

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Senate Bill 640 (as reported without amendment)  
Sponsor: Senator Cameron S. Brown  
Committee: Transportation

Date Completed: 11-1-07

**RATIONALE**

The motto "In God we Trust" was first featured on U.S. coins in 1864, and was officially designated as the national motto in 1956. On January 1, 2007, Indiana began issuing a license plate inscribed with the motto, available at the same cost as a regular license plate. That plate evidently has proven to be a popular choice among vehicle owners in that state. Some people suggest that Michigan should offer a similar plate but for an extra charge, as a way to raise revenue for the State and allow drivers to display the motto.

**CONTENT**

**The bill would amend the Michigan Vehicle Code to require the Secretary of State to design, develop, and issue a fund-raising plate with the words "In God We Trust" inscribed on the plate; and to eliminate the limit on the number of State-sponsored fund-raising plates that may be developed.**

Currently, the Code prohibits the Secretary of State from developing more than eight different State-sponsored fund-raising license plates at any one time, along with matching State-sponsored collector plates. The bill would eliminate that restriction.

The "In God We Trust" fund-raising plate would have to be developed under Section 811e and issued under Section 811f.

(Section 811e requires a \$15,000 start-up fee to be paid for any new fund-raising plate within 18 months after the effective date of the public act authorizing the plate. The fee must be deposited in the Transportation Administration Collection Fund and used for the cost of creating, producing, and issuing fund-raising plates.

Section 811f authorizes the Secretary of State, upon application, to issue one fund-raising plate instead of a standard plate for use on a motor vehicle. A person applying for a fund-raising plate must pay a \$25 fund-raising donation, the regular vehicle registration tax, and a \$10 service fee. A person applying to renew a fund-raising plate must pay a \$25 donation and the regular registration tax.)

The bill would require the Secretary of State to transfer the donation money from the sale of "In God We Trust" fund-raising plates to the State Treasurer, who would have to credit the money to the State's General Fund.

MCL 257.811e et al.

**BACKGROUND**

The following State-sponsored fund-raising plates currently are authorized under the Code:

<b>Plate</b>	<b>Receiving Fund</b>	<b>Authorizing Act</b>
Wildlife Habitat	Nongame Fish and Wildlife Trust Fund	Act 70 of 2000
Children's Trust Fund	Children's Trust Fund	Act 71 of 2000
Lighthouse Preservation	Michigan Lighthouse Preservation Fund	Act 73 of 2000
Water Quality Protection	Water Quality Protection Fund	Act 74 of 2000
Veteran's Memorial	Vietnam Veteran's Memorial Monument Fund	Act 78 of 2000
Agricultural Heritage	FFA Vision 2000 Endowment Fund	Act 79 of 2000
American Pride	Proud to Be American Fund	Act 124 of 2001
Support Our Troops	Support Our Troops, Inc.	Act 562 of 2006

The Code also provides for an Olympic Education-Training Center plate, authorized under Public Act 332 of 1994. That plate is not considered a State-sponsored fund-raising plate for the purposes of the Code.

## **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**

Placing the national motto on a fund-raising license plate would give Michigan residents the opportunity to display and express support for the motto and the values it represents. Indiana recently created an "In God We Trust" license plate, and reportedly has issued at least 1.0 million plates in less than one year. At least one other state, South Carolina, also has a plate bearing the motto. According to testimony before the Senate Transportation Committee, there have been requests for a similar plate in Michigan. Given the variety of specialty plates currently available, this plate would seem to be an appropriate addition, satisfying consumer demand for more choices while also raising money for the State's General Fund. Consumers have demonstrated that they are willing to pay extra for specialty plates, and the revenue raised would help to ease financial pressures on the State during a time of tight budgets. The bill would generate \$25 for each initial plate and \$10 for each renewal. Reportedly, if the bill were enacted, a charity would be established to raise the \$15,000 required to pay for the development and production of the plates.

**Response:** In Indiana, the "In God We Trust" plate is available at no extra cost. It is unclear whether demand would be as great for the plate if vehicle owners had to pay extra for it.

### **Opposing Argument**

As the number of different license plates grows, it becomes more difficult for law enforcement officials to determine which plates are legitimate. Limiting the number of specialty plates helps to prevent that type of confusion. The bill not only would provide for the "In God We Trust" plate, but would altogether remove the limit on the number of specialty plates allowed. Ornamental plates, which may be placed on the front of vehicles, could be an acceptable alternative that would allow Michigan drivers to display the national motto (or promote other causes that have been suggested for specialty plates) without increasing the proliferation of specialty license plates.

**Response:** Indiana currently has about 75 different plates available, including a variety of regular plates, university plates, and specialty plates supporting organizations, with no reported confusion over which plates are legitimate. Other states also have a large selection of license plates to choose from. It seems unlikely that the relatively small number of plates in Michigan would pose a problem.

### **Opposing Argument**

The Indiana plate has been the subject of a recent lawsuit, alleging that the plate represents an improper endorsement of religion by the state. Depending on the outcome of that case, it is possible that the proposed plate could face a similar legal challenge in Michigan.

**Response:** In the Indiana case, the plaintiff evidently is contending that the plate is being offered improperly as a regular license plate, while other special interest plates are subject to additional charges, amounting to a de facto endorsement of the statement on the plate. Those concerns would not apply to the plate proposed under the bill, since it would be offered only as a specialty plate, available at additional cost.

**FISCAL IMPACT**

The bill would create a start-up cost to the Department of State. The start-up fee of \$15,000 prescribed in the Code normally covers the Department's start-up costs; however, it is uncertain who would pay this start-up fee as there is no nonprofit fund created from which the start-up fee would be paid.

The bill would have no fiscal impact on local government.

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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.