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BILL ANALYSIS

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Senate Bill 1557 (as introduced 11-5-08)  
Sponsor: Senator Roger Kahn, M.D.  
Committee: Transportation

Date Completed: 11-12-08

### **CONTENT**

**The bill would amend the Michigan Vehicle Code to do the following:**

- Remove the current limit on State sponsored fund-raising license plates.**
- Require the Secretary of State (SOS) to create a fund-raising plate recognizing the Boy Scouts of America.**
- Create the "Boy Scouts of America Fund" and require donations from the sale of the plate to be deposited into the Fund.**

The Code allows the SOS to develop, at any one time, up to eight State-sponsored fund-raising registration plates and matching State-sponsored collector plates. The bill would remove that limit.

The bill would require the SOS to develop under Section 811e and issue under Section 811f a fund-raising plate recognizing the Boy Scouts of America. In conjunction with the Boy Scouts of America, the SOS would have to design the fund-raising plate.

Section 811e permits the SOS to develop a fund-raising plate under certain conditions. A startup fee of \$15,000 must be paid for any new fund-raising plate, to be used for the cost of creating, producing, and issuing the plate. Under Section 811f, an application for an original fund-raising plate must be accompanied by a \$25 fund-raising donation, payment of the regular vehicle registration tax, and a \$10 service fee. An application for renewal of a fund-raising plate must be accompanied by payment of the required registration tax and a \$10 fund-raising fee.)

The bill would create the Boy Scouts of America Fund within the State Treasury. The SOS would have to transfer the donation money from the sale of the plate to the State Treasurer, who would have to credit the money to the Fund. The State Treasurer would have to disburse money in the Fund on a quarterly basis to the Boy Scouts of America.

The Treasurer could receive money or other assets from any source for deposit into the Fund. The Treasurer would have to direct the investment of the Fund and credit to it interest and earnings from Fund investments. Money in the Fund at the close of the fiscal year would have to remain in the Fund and not lapse into the State General Fund.

Beginning not later than February 1, 2009, the Boy Scouts of America would have to submit to the Department of Treasury a summary of the expenditures during the preceding year of the money received under the bill.

## **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 could be paid to the Department of State from the Boy Scouts of America Fund proposed in the bill; however, the bill does not include such a requirement. The revenue generated from the fund-raising license plate established under the bill would be deposited into the proposed Boy Scouts of America Fund, after which the State Treasurer would disburse payments from the Fund on a quarterly basis to the Boy Scouts of America.

The bill would have no fiscal impact on local government.

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