



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 534 (as enacted)
House Bill 4978 (as enacted)
Sponsor: Senator John J. Gleason
Senate Committee: Transportation
House Committee: Transportation

PUBLIC ACT 54 of 2012
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Date Completed: 7-23-12

RATIONALE

Each year, organ and tissue transplants save the lives of tens of thousands of individuals across the nation, but many more die while waiting. At present, several thousand Michigan residents are waiting for an organ or tissue in order to survive. Over the past few years, several initiatives have been launched to raise awareness of the need for more organ and tissue donations and to make it easier for people to designate themselves as potential donors; for example, residents now have the option to include a heart insignia on their driver license or State identification card. It was suggested that a fund-raising license plate should be created to further increase awareness regarding organ and tissue donation.

license applicant's digital photographic image.

The bills were tie-barred. They took effect on June 30, 2012.

Senate Bill 534

The bill requires the SOS to determine the design of the plate recognizing anatomical gift donation. Fund-raising donations for the plates collected under Section 811f must be transferred under Section 811h by the SOS to the State Treasurer, who must disburse the donation money to the Thomas Daley Gift of Life Fund.

(Under Section 811f, an application for an original fund-raising plate must be accompanied by payment of the regular vehicle registration tax, a \$25 donation, and a \$10 service fee. An application for a renewal must be accompanied by payment of the vehicle registration tax and a \$10 donation.

Section 811h requires the SOS to create a separate account for each type of fund-raising plate and identify and segregate the fund-raising donations into the separate accounts. The SOS must authorize the disbursement of the donations on a quarterly basis.

A fund-raising plate must meet sales goals of 2,000 in the first year and 500 new plates annually for the next five years. The SOS may cease to issue a fund-raising plate that fails to meet the sales goals.)

CONTENT

Senate Bill 534 amended the Michigan Vehicle Code to authorize the Secretary of State (SOS) to issue a fund-raising license plate recognizing anatomical gift donation; and require donations for those plates to be deposited in the "Thomas Daley Gift of Life Fund".

House Bill 4978 amended the Michigan Vehicle Code to create the "Thomas Daley Gift of Life Fund" for the administration and maintenance of the State anatomical gift donor registry program, and repealed a section establishing the Organ and Tissue Donation Education Fund. The bill also extends to an applicant's signature restrictions on the use of a driver

House Bill 4978

Organ & Tissue Donation

The bill repealed Section 217o of the Vehicle Code, which provided for the Organ and Tissue Donation Education Fund within the State Treasury. Section 217o required the State Treasurer to disburse money in the Fund on a monthly basis to the Chronic Disease Division of the Department of Community Health, which had to use the money to provide grants for programs and initiatives to encourage Michigan residents to place their names on the organ donor registry.

The bill also eliminated a requirement that the SOS, in conjunction with an application for a driver license, give the applicant an opportunity to make a donation of at least \$1 to the Fund.

The bill created the Thomas Daley Gift of Life Fund within the State Treasury. The State Treasurer may receive money or other assets from any source for deposit into the Fund. The State Treasurer must direct the Fund's investment, and credit to it any interest and earnings. Money in the Fund at the close of the fiscal year will remain in the Fund and will not lapse to the General Fund. Money in the previous Organ and Tissue Donation Education Fund had to be transferred to the new Fund.

The Department of State is the administrator of the Thomas Daley Gift of Life Fund for auditing purposes.

The Department must spend money from the Fund, upon appropriation, for the administration and maintenance of the State anatomical gift donor registry program under the Public Health Code. Any money remaining in the Fund may be spent for the ongoing development and administration of the Department's public information campaign concerning the Michigan organ donation program.

Use of Driver License Signature

Under the Code, an applicant for an operator's or chauffeur's license may have his or her image and signature captured or reproduced. An applicant's digital photographic image and signature must

appear on his or her license. The photographic image may be used as follows:

- By a Federal, State, or local governmental agency for a law enforcement purpose authorized by law.
- By the SOS for a use specifically authorized by law.
- By the SOS for forwarding to the Michigan Department of State Police the images of people required to be registered under the Sex Offenders Registration Act.
- As necessary to comply with a law of Michigan or the U.S.

Under the bill, the provisions governing use of an applicant's digital photographic image also apply to use of an applicant's signature.

MCL 257.811t (S.B. 534)
257.307 et al. (H.B. 4978)

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

According to Gift of Life Michigan, 792 organs were transplanted in the State in 2011. Despite these successes, as of June 1, 2012, the list of Michigan residents waiting for a transplant numbered more than 3,000. Reportedly, Michigan ranks 46th in the nation in terms of the percentage of adults on the State's organ and tissue donor registry.

In addition to saving lives and improving the quality of life for recipients, the opportunity to donate a deceased loved one's organs or tissues can bring comfort to a grieving family during a difficult time. For these reasons, increasing the number of donors is vital. The license plate will raise awareness of the need for life-saving anatomical gifts directly by being displayed on vehicles and also by generating revenue to fund outreach efforts.

Opposing Argument

It costs the SOS \$15,000 to develop a new fund-raising license plate, regardless of how many are sold. To cover this cost, the Code prescribes a \$15,000 start-up fee for each new plate design. Typically, the organization that will benefit from the sale of

the plate pays the fee. The bill, however, does not state that the fee requirement applies to the "Donate Life" plate, raising concerns that money meant to fund road projects could be diverted to reimburse the SOS for start-up expenses. The license plate should be implemented in the same manner and subject to the same requirements as other fund-raising plates.

Response: The Donate Life Coalition, a foundation affiliated with Gift of Life Michigan and its partners, has agreed to provide the money to cover the start-up costs associated with the plate.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

Senate Bill 534

The revenue generated from the fund-raising license plate established under the bill will be transferred from the Secretary of State to the State Treasurer, after which the State Treasurer will disburse payments to the Thomas Daley Gift of Life Fund.

The bill will have no fiscal impact on local government.

House Bill 4978

The bill will have no fiscal impact on the Department of State. Any costs associated with administration of the Thomas Daley Gift of Life Fund will be paid from the proceeds of the money transferred from the Organ and Tissue Donation Education Fund to the Gift of Life Fund. The balance in the Organ and Tissue Donation Education Fund at the end of FY 2009-10 was an estimated \$4,500.

The bill will have no fiscal impact on local government.

Fiscal Analyst: Joe Carrasco

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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.