



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 341 (Substitute S-1 as passed by the Senate)
Senate Bill 342 (as passed by the Senate)
Sponsor: Senator Dave Hildenbrand
Committee: Finance

Date Completed: 5-23-13

RATIONALE

As other states were establishing AMBER Alert plans, the Michigan Amber Alert Act was enacted in 2002 to require the Department of State Police to establish and maintain the Michigan Amber Alert Plan. These plans are designed to disseminate information about certain child abductions to radio and television stations rapidly and in a predetermined manner. ("AMBER" refers to "America's Missing: Broadcast Emergency Response".) Although Michigan's Plan is required by statute and has been in place for approximately 10 years, there is no dedicated funding source for it. According to the Michigan Association of Broadcasters (MAB), that organization has donated over \$400,000 toward the operating costs of the Amber Alert program since it began. The Michigan AMBER Alert Foundation was formed in 2008 to raise funds for the program, and has received approximately \$25,778 donations and grants in 2012, according to the MAB. To help support the Amber Alert program, it has been suggested that Michigan taxpayers should have the opportunity to make donations through an income tax check-off.

CONTENT

Senate Bill 341 (S-1) would amend the Michigan Amber Alert Act to do the following:

- **Create the "Michigan Amber Alert Fund" within the Department of State Police to provide funds for the Michigan Amber Alert Plan.**
- **Require money from a proposed State income tax check-off to be credited to the Fund.**
- **Require money in the Fund to be spent solely for the purposes described in the Act.**

Senate Bill 342 would amend the Income Tax Act to include the proposed Michigan Amber Alert Fund among the funds eligible for voluntary contributions on the State income tax return, beginning in the 2013 tax year.

The bills are tie-barred.

Senate Bill 341 (S-1)

The bill would create the Michigan Amber Alert Fund within the Michigan Department of State Police (MSP) to provide funds for the maintenance, operation, and administration of the Michigan Amber Alert Plan.

The Fund would consist of money credited to it under Section 435 of the Income Tax Act (the section Senate Bill 342 would amend); any interest and earnings accruing from the saving and investment of that money; and money from any other source. The State Treasurer would have to credit to the Fund all amounts appropriated for that purpose under Section 435 and money from any other source for deposit into the Fund.

The money, interest, and earnings of the Fund would have to be spent solely for the purposes described in the Michigan Amber Alert Act. Money that was available for distribution would have to be appropriated each year. Money granted or received as a gift or donation to the Fund would be available for distribution upon appropriation.

The MSP would be the administrator of the Fund for auditing purposes, and the State Treasurer would have to direct its investment. Money in the Fund at the close of the year would remain in the Fund and would not lapse to the General Fund.

Senate Bill 342

Section 435 of the Income Tax Act allows an individual to designate on his or her annual State income tax return that contributions of \$5, \$10, or more of his or her refund be credited to any of the funds listed in that section (check-offs). If an individual's refund is not sufficient to make a contribution, he or she may designate a contribution amount to be added to his or her tax liability.

The Department of Treasury is required to prepare a contributions schedule that includes the authorized check-offs. The schedule may not include more than 10 separate check-offs in a single year, and the Department must discontinue a check-off that fails to raise \$50,000 in a tax year for two consecutive tax years.

Check-offs for the following are currently authorized: the Animal Welfare Fund; the Children of Veterans Tuition Grant Program; the Children's Trust Fund; the Girl Scouts of Michigan Fund; the Military Family Relief Fund; the Special Olympics Michigan Fund; and the United Way Fund

The bill would add the Michigan Amber Alert Fund, beginning in the 2013 tax year.

The bill also would include the Military Family Relief Fund on the schedule under Section 435, beginning in the 2010 tax year. (A check-off for that Fund currently is required under Section 438.)

Proposed MCL 28.755 (S.B. 1046)
MCL 206.435 (S.B. 1047)

BACKGROUND

The Michigan Amber Alert Plan may be activated only in accordance with policies of the Michigan State Police. According to the MSP website, the Plan is activated when an endangered missing person under 17 years old is reported to law enforcement and one or more of the following circumstances exist:

- The child suffers from a severe mental or physical disability that greatly impairs the child's ability to care for himself or herself.
- The child is a victim of stranger or acquaintance kidnapping.

- The child is in the company of a person who has a confirmed criminal history of child abuse/neglect, sexual assault, domestic assault, or a crime involving the victimization of children; who has made statements of intent to harm the missing child; or who is suicidal.
- The child has been abducted by a noncustodial parent whose parental rights have been terminated.

When the law enforcement agency investigating the endangered missing child case contacts the State Police, supplying information on the case, the MSP then activates the Plan by giving information on the child to area broadcasters. The broadcasters immediately broadcast information about the child. In addition, the Michigan Department of Transportation uses its regional electronic messaging boards to update motorists during active Amber Alerts.

Members of the public who believe they have seen a missing child then report the sighting to law enforcement.

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

After the Amber Alert Act was enacted, a public-private partnership was formed by the Michigan State Police, the Michigan Sheriff's Association, the Michigan Association of Chiefs of Police, and the Michigan Association of Broadcasters to formulate the State's Amber Alert program. Since its inception, the program has been activated 327 times; of those alerts, 95% resulted in the safe return of the child or children involved. Using the ears and eyes of radio and television audiences, Amber Alert is a very effective tool, but it must rely on donations to operate.

The program is supported by the Michigan AMBER Alert Foundation, which approximately a year ago had received over \$85,000 in donations and grants from AT&T of Michigan and the Art Van Million Dollar Charity Challenge. In 2012, the Foundation received contributions of approximately \$25,000 from AT&T and the MAB. In

addition, law enforcement and the MAB provided staff time worth an estimated \$37,000 in 2012, and millions of dollars in airtime are donated by broadcasters every year. While these donations are vital, the proposed income tax check-off would provide another source of revenue for the program.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

Senate Bill 341 (S-1)

The bill proposes a potential funding source for the Michigan Amber Alert program. The Department of State Police, due to budgetary reductions over time, no longer has, as it once had, a dedicated Sergeant for the Missing Children Clearinghouse & Amber Alert programs. The duties of this position have been absorbed by an Operations Lieutenant with other duties. The Department states that a full-time employee

is needed to provide training to law enforcement personnel (State Police and local) on the "how, when, and why" of an Amber Alert. The approximate cost associated with returning to a dedicated full-time Sergeant for this program is as follows:

Sergeant: \$156,500 (FY 2011-12
s&w/benefits)
CSS&M/travel: \$10,000
Total: \$166,500

It cannot be determined at this time how much, if any, revenue would be generated under this bill for this purpose.

Senate Bill 342

The revenue from the proposed income tax check-off for the Michigan Amber Alert Fund would depend on the size and number of taxpayer donations. The income tax check-off revenue history in recent years is summarized in the Table 1 below.

Table 1
Estimated Income Tax Check-Off Donations by Fund

	Tax Year 2009		Tax Year 2010		Tax Year 2011 ^{a)}	
	Number of Donations	Total Donated	Number of Donations	Total Donated	Number of Donations	Total Donated
Amanda's Fund for Breast Cancer	3,754	\$37,818				
Animal Welfare Fund ¹⁾	7,854	100,862	10,852	\$148,164	10,800	125,636
Children's Hospital of MI Fund	5,661	61,186	7,418	90,853		
Children's Miracle Network Fund	3,432	35,357	4,707	56,901		
Children's Trust Fund ¹⁾	17,244	185,407	7,387	92,631	8,499	88,839
Children of Veterans Tuition Grant Program ¹⁾	15,225	126,531	5,928	76,417	5,878	70,374
Foster Care Trust Fund	2,407	24,123	3,467	40,057		
Girl Scouts of Michigan Fund ¹⁾					3,500	44,163
Michigan Military Relief Fund ¹⁾	22,432	273,428	7,443	128,603	9,463	134,757
Michigan Council for the Arts Fund	2,598	27,978	3,356	34,677		
Michigan Housing and Community Development Fund	1,618	17,415				
Michigan Law Enforcement Memorial Fund	2,492	27,457				
Prostate Cancer Research	2,920	29,319				
Renewable Fuels Fund	2,157	18,247	2,589	23,648		
United Way Fund ¹⁾	5,736	241,797	7,747	389,080	5,574	163,937
Total		\$1,206,925		\$1,081,031		\$627,706

a) Collections through April 22, 2012.

¹⁾ Check-offs on the 2011 contribution schedule.

Source: Department of Treasury

Fiscal Analyst: Bruce Baker
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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.