



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bills 341 and 342 (as enacted)
Sponsor: Senator Dave Hildenbrand
Senate Committee: Finance
House Committee: Tax Policy

PUBLIC ACTS 91 & 92 of 2013

Date Completed: 7-26-13

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 received approximately \$25,778 in donations and grants in 2012, according to the MAB. To help support the Amber Alert program, it was suggested that Michigan taxpayers should have the opportunity to make donations through an income tax check-off.

CONTENT

Senate Bill 341 amended 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 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 amended the Income Tax Act to include the 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 were tie-barred and took effect on June 28, 2013.

Senate Bill 341

The bill created 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 will consist of money credited to it under Section 435 of the Income Tax Act (the section Senate Bill 342 amended); any interest and earnings accruing from the saving and investment of that money; and money from any other source. The State Treasurer must 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 must be spent solely for the purposes described in the Michigan Amber Alert Act. Money that is available for distribution will have to be appropriated each year. Money granted or received as a gift or donation to the Fund will be available for distribution upon appropriation.

The MSP must be the administrator of the Fund for auditing purposes, and the State Treasurer must direct its investment. Money in the Fund at the close of the year will remain in the Fund and 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 tax return that a contribution of \$5, \$10, or more of his or her State income tax refund (or additional tax liability) be credited to any of the funds listed in the Act. The Department of Treasury must create a schedule of the specified check-offs to be included with an annual income tax return. 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 years.

Check-offs on the schedule include 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 Fund, and the United Way Fund.

Under the bill, the schedule also includes the Michigan Amber Alert Fund, for the 2013 tax year and each subsequent tax year.

The bill also added to the schedule, beginning with the 2013 tax year, the Michigan Alzheimer's Association Fund and the ALS of Michigan ("Lou Gehrig's Disease") Fund. (Those Funds were created by Public Acts 88 and 89 of 2013, respectively.)

MCL 28.755 (S.B. 341)
206.435 (S.B. 342)

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 more than 325 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, as well as motorists, 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 received contributions of approximately \$25,000 from AT&T and the MAB in 2012. 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 new income tax check-off will provide another source of revenue for the program.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

Senate Bill 341

The bill creates 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 has stated 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 will be generated under this bill for this purpose.

Senate Bill 342

The revenue from the income tax check-offs for the Michigan Amber Alert Fund, the Michigan Alzheimer's Association Fund, and the ALS of Michigan ("Lou Gehrig's Disease) Fund will depend on the size and number of taxpayer donations. These voluntary contributions will have no impact on State revenue.

The Department of Treasury will incur additional costs of an unknown amount to administer and track the new Funds.

The income tax check-off revenue history in recent years is summarized in the Table 1 below. Several funds that previously were on the voluntary contributions schedule no longer appear on it. These are Amanda's Fund for Breast Cancer, Children's Hospital of Michigan Fund, Children's Miracle Network Fund, Foster Care Trust Fund, Michigan Council for the Arts Fund, Michigan Housing and Community Development Fund, Michigan Law Enforcement Memorial Fund, Prostate Cancer Research, and Renewable Fuels Fund. (Those that did not receive revenue during the three years shown on Table 1 are not listed on the table.)

Table 1
Estimated Income Tax Check-Off Donations by Fund

	Tax Year 2010		Tax Year 2011^{a)}		Tax Year 2012^{a)}	
	Number of Donations	Total Donated	Number of Donations	Total Donated	Number of Donations	Total Donated
Animal Welfare Fund ¹⁾	10,852	\$148,164	10,800	\$125,636	11,049	\$123,421
Children's Hospital of MI Fund	7,418	90,853				
Children's Miracle Network Fund	4,707	56,901				
Children's Trust Fund ¹⁾	7,387	92,631	8,499	88,839	8,126	84,009
Children of Veterans Tuition Grant Program ¹⁾	5,928	76,417	5,878	70,374	5,890	64,094
Foster Care Trust Fund	3,467	40,057				
Girl Scouts of Michigan Fund ¹⁾			3,500	44,163	3,277	38,844
Michigan Military Relief Fund ¹⁾	7,443	128,603	9,463	134,757	9,582	131,289
Michigan Council for the Arts Fund	3,356	34,677				
Renewable Fuels Fund	2,589	23,648				
Special Olympics Michigan ¹⁾					5,521	75,976
United Way Fund ¹⁾	7,747	389,080	5,574	163,937	5,016	163,169
Total		\$1,081,031		\$627,706		\$680,802

a) Collections through May 23.

¹⁾ Check-offs on the 2012 contribution schedule.

Source: Department of Treasury

Fiscal Analyst: Bruce Baker
Elizabeth Pratt

A1314\S341ea

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.