

## DETROIT TEAMS/MIS CARES PLATES

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**Senate Bill 186 as passed by the Senate**  
**Sponsor: Sen. Jim Stamas**  
**House Committee: Transportation and Infrastructure**  
**Senate Committee: Transportation**  
**Complete to 11-28-16**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

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

- Require the Secretary of State (SOS) to develop and issue fund-raising plates or collector plates recognizing the Detroit Red Wings, the Detroit Tigers, the Detroit Lions, the Detroit Pistons, and Michigan International Speedway (MIS).
- Create the "Detroit Red Wings Fund," the "Detroit Tigers Fund," the "Detroit Lions Fund," the "Detroit Pistons Fund," and the "MIS Cares Fund," and require donations for the proposed plates to be deposited into the respective fund, to be distributed to the Detroit Red Wings Foundation, the Detroit Tigers Foundation, the Detroit Lions Charities, the Come Together Foundation, and MIS Cares, as applicable.
- Require each of those foundations to disburse the money to tax-exempt eligible nonprofit organizations.
- Require each of the teams, or a representative or agent of MIS, as applicable, submit a design for its logo to the SOS.
- The new funds would be created within the State Treasury, and the State Treasurer could receive contributions from any source and would disburse money quarterly to the various foundations. The secretary of state would transfer money from the sale of fund-raising plates to the funds.

[Senate Bill 186 passed the Senate on May 26, 2015, and the Senate-passed version requires these plates be developed by October 1, 2015.]

Section 811e of the Vehicle Code says:

*A start-up fee of \$15,000.00 shall be paid for any new fund-raising plate authorized under this section. The secretary of state shall deposit the fee in the transportation administration collection fund through October 1, 2019 to be used for the cost of creating, producing, and issuing fund-raising plates. If the fee described in this subsection is not paid within 18 months after the effective date of the public act that authorizes the development and issuance of a fund-raising plate, the secretary of state shall not create, produce, or issue the related fund-raising plate. A start-up fee paid under this subsection is nonrefundable.*

Section 811f of the Vehicle Code authorizes the SOS to issue a fund-raising plate instead of a standard registration plate upon application of the vehicle owner; the application must be accompanied by a \$25 fund-raising donation, payment of the regular vehicle registration tax prescribed in the code, and a \$10 service fee.

Proposed MCL 257.811cc-257.811gg

**FISCAL IMPACT:**

Because the \$15,000 amount of the required start-up fee does not adequately cover the cost of developing a fund-raising plate, the bill would have a negative fiscal impact to the Department of State. Under Sec. 811E of the Michigan Vehicle Code, a start-up cost of \$15,000 is to be paid by the sponsoring entity of the fund-raising plate to the Department of State to alleviate costs of developing the plate.

According to the department, the costs of developing new plates are expected to well exceed \$100,000 per plate. A recent prior cost to developing fund-raising plates cost the department approximately \$180,000 in start-up costs per plate. Applying these costs to the current bill would result in \$825,000 in costs to the Department of State not covered by the \$15,000 start-up fee. This estimate, however, is likely high since, according to the department, costs can be mitigated when requests for plates are combined, or bundled, which this bill may allow.

Most of the expected cost of development lies in computer programming required to produce plates. These costs are expected to decrease significantly over the next few years as the department moves out of a transitional phase in modernizing its legacy computer system. However the eventual cost of plate development, once the upgrades have been established, cannot yet be estimated.

A bill (HB 5447) passed by the House and awaiting its third reading in the Senate would modify section 811E by changing the start-up fee from \$15,000 to an amount equal to "a 3-year average of the cost to the Secretary of State of developing a new fund-raising plate, as calculated by the Secretary of State on January 1 of each year" in order to make the required start-up cost more accurately reflect the cost of developing plates. Should that bill be enacted as it is, the department estimates that using this formula would result in a start-up fee of approximately \$100,000. As the expected cost of computer programming significantly decreases over the next few years, the formula would provide a correspondingly lagged decrease in start-up fees until, over time, it generates a start-up fee that better reflects actual start-up costs to the Secretary of State.

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