

Legislative Analysis



VEHICLE FUND-RAISING PLATES

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5447 as introduced
Sponsor: Rep. Peter Pettalia
Committee: Transportation and Infrastructure
Complete to 4-11-16

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

SUMMARY:

Under the Michigan Vehicle Code, the secretary of state may develop fund-raising plates (and matching collector plates) as outlined in the code. A new plate cannot be developed or issued unless the legislature passes a public act that identifies the purpose of the plate, creates or designates a nonprofit fund to receive revenue, and specifies who is to administer the fund. House Bill 5447 would do the following (MCL 257.811e and 811h):

**** Limit the number of plates** available at any one time to no more than ten. The code currently says the secretary of state may "develop" different state-sponsored fund-raising plates. The bill says the secretary of state may "at any one time, develop, produce, issue, or make available for sale" not more than ten different plates. (There had been a limit of eight plates until 2011, when the limit was lifted.)

**** Currently, a start-up fee** of \$15,000 must be paid for any new fund-raising plate, and through October 1, 2019, with such fees to be deposited in the Transportation Administration Collection Fund. The bill would say that the start-up fee would be "in an amount equal to a three-year average of the cost to the secretary of state of developing a new fund-raising plate, as calculated annually by the secretary of state.

**** Various fees related to fund-raising plates** (start-up fees, service fees, royalty fees) are to be deposited in the Transportation Administration Collection Fund through October 1, 2019, to be used for the cost of creating, producing, and issuing fund-raising plates. The bill would remove the sunset date so that fees would go to that fund indefinitely.

FISCAL IMPACT:

The bill would have a nominal impact on the Department of State. The change in calculating the start-up fee for a new fundraising plate to a three year average may better reflect the actual cost to the department in creating a new plate, resulting in a slight decrease in cost. The resulting impacts to the Transportation Administration Collection Fund would be minimal. There would be no fiscal impact to local governments.

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