

Legislative Analysis



DETROIT TEAMS PLATES

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Senate Bill 178 as reported from House committee as (H-2)

Sponsor: Sen. Jim Stamas

House Committee: Transportation and Infrastructure

Senate Committee: Transportation

Complete to 12-6-17

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 by February 19, 2019, fund-raising or collector plates recognizing the Detroit Red Wings, Detroit Tigers, Detroit Lions, and Detroit Pistons.
- Create a fund for each plate in Treasury into which donations from the sale of fund-raising plates would be deposited and from which funds would be distributed quarterly to the Detroit Red Wings Foundation, the Detroit Tigers Foundation, the Detroit Lions Charities, and the Come Together Foundation, as applicable. Money in the fund at the end of a fiscal year would remain in the fund and not lapse to the state general fund.
- Require each foundation to disburse the money to tax-exempt eligible nonprofit organizations.
- Require each team to submit a logo design to the SOS.
- Require the SOS to discount the start-up fee allowed under Section 811e to reflect any cost savings realized if multiple new fund-raising plates were developed at the same time.

In addition, the bill would prohibit the SOS from ceasing to issue a fund-raising plate that was available for sale on February 1, 2017 and that failed to meet sales goals if the failure occurred before that date.

[Section 811f of the Vehicle Code authorizes the SOS to issue a fund-raising plate upon request if accompanied by a \$25 fund-raising donation and a \$10 service fee in addition to the regular vehicle registration tax prescribed in the Code.]

Proposed MCL 257.811cc to 257.811ff

FISCAL IMPACT:

The bill should have no fiscal impact on the state and would have no fiscal impact on local units of government.

Section 811e of the Michigan Vehicle Code requires a start-up fee for the cost of producing a new fund-raising plate to be paid within 18 months after the effective date of a public act authorizing the creation of a fund-raising plate. This fee is customarily paid by the nonprofit organizations. The bill would therefore require each of the four nonprofit organizations included in the bill to pay \$90,000, assuming the allowed number of current fund-raising plates has not been exceeded. Details on the limit follow below.

The start-up fee is calculated annually according to the prior three-year average cost of plate production as described in Section 811e. For Fiscal Year 2016-17, the start-up fee is \$90,000. Since the Secretary of State (SOS) has routinely bundled new fund-raising plates during production over the last few years, the \$90,000 fee is calculated with the savings from developing plates at one time largely included. Therefore, it is unclear whether any discount would apply for these four plates.

Fee revenue would be deposited into the Transportation Administration Collection Fund, which is used to support Department of State activities. The bill would have little to no fiscal impact on the Department of State assuming the start-up fee is equal to the actual cost of production.

Also, under Section 811e, the SOS may not, at any one time, "develop, produce, issue, or make available for sale" more than 20 different fund-raising plates. The SOS currently has 13 fund-raising plates available for sale. In addition to the 4 plates proposed under this bill, there are several proposed fund-raising plates in other bills pending approval from the Legislature, and if all were enacted, the number of approved plates would exceed the maximum allowed under Section 811e.

POSITIONS:

Representatives from the following organizations testified in support of the bill (9-19-17):

- Detroit Tigers
- Detroit Lions
- Detroit Red Wings Foundation

A representative of the Secretary of State testified and is neutral on the bill. (9-19-17)

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.