

DETROIT TEAMS LICENSE PLATES

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Senate Bill 178 as enacted

Public Act 326 of 2018

Sponsor: Sen. Jim Stamas

House Committee: Transportation and Infrastructure

Senate Committee: Transportation

Complete to 2-7-19

Analysis available at

<http://www.legislature.mi.gov>

SUMMARY:

The bill amends the Michigan Vehicle Code to do the following:

- Require the Secretary of State (SOS) to develop and issue, by August 1, 2019, fund-raising or collector plates recognizing the Detroit Red Wings, the Detroit Tigers, the Detroit Lions, and the Detroit Pistons.
- Create a fund for each plate in the state treasury into which donations from the sale of fund-raising plates will be deposited and from which funds will 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 remains in the fund and does 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 are developed at the same time.

In addition, the bill prohibits 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.]

MCL 257.811e and 257.811h (amended)

MCL 257.811cc to 257.811ff (added)

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.

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 2017-18, the start-up fee was \$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.

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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.