

DETROIT TEAMS/MIS CARES PLATES

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Senate Bill 178 as passed the Senate

Sponsor: Sen. Jim Stamas

House Committee: Transportation and Infrastructure

Senate Committee: Transportation

Complete to 9-18-17

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 January 1, 2018, fund-raising or collector plates recognizing the Detroit Red Wings, Detroit Tigers, Detroit Lions, Detroit Pistons, and Michigan International Speedway (MIS).
- Create a fund for each plate 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, the Come Together Foundation, and MIS Cares, as applicable.
- Require each foundation to disburse the money to tax-exempt eligible nonprofit organizations.
- Require each team and MIS 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.

The SOS could not cease 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. [Note: Senate Bill 178 passed the Senate on April 27, 2017, and the Senate-passed version requires these plates be developed by January 1, 2018.]

Section 811e of the Vehicle Code requires that a nonrefundable start-up fee be paid in an amount equal to a 3-year average of the cost to the SOS of developing a new fund-raising plate, as calculated on January 1 of each year.

Section 811f of the Vehicle Code authorizes the SOS to issue a fund-raising plate upon request and 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-257.811gg

FISCAL IMPACT:

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

Sec. 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, which would therefore apply to each of the four non-profit organizations included in the bill.

The start-up fee is calculated annually according to the prior three-year average cost of plate production as described in Sec. 811e. For Fiscal Year 2016-17, the start-up fee is \$90,000. Since the Secretary of State 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 (TACF), which is used to support Department of State (DOS) activities. The bill would have little to no fiscal impact to DOS 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.